

**THE CHAMBER OF SHIPPING LIMITED**  
**Reg No. 2107383**  
**REPORT OF THE COUNCIL**

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The Council has pleasure in presenting its report and the audited accounts for the year to 31 March 1996.

**PRINCIPAL ACTIVITY**

The company acts as the Trade Association for the British Shipping industry.

**INCOME AND EXPENDITURE ACCOUNT**

The balance of Income and Expenditure for the year was a deficit of £365,615 after taxation which reduced the balance to be carried forward after transfers from the revaluation reserve to £32,129.

**MEMBERS OF THE COUNCIL**

The members of the Council, who constitute the directors of the company for Companies Acts' purposes, and served during the year, were:-

A R C B Cooke (President)

P D Skinner (Vice-President) (appointed 24/10/95)

T T Andersen  
Cdre A D Barrett, CBE, RD\*\*  
A J Bott, OBE (resigned 26/3/96)  
D B Cobb  
Sir John Collins (appointed 26/3/96)  
W G Cooper  
Sir Ian Denholm, CBE  
Dr P C Doolan  
F M Everard, CBE  
W D Everard  
D Grimes  
D J C Habgood  
T C Harris, CBE  
R Heath (resigned 26/3/96)  
J W J Hughes-Hallett  
J A D Hunter  
J H Kelly, CBE  
J E Keville (resigned 24/10/95)  
R D M Lenthall  
F M Marchant  
A B Marshall (resigned 26/3/96)

A Mouzouropoulos (appointed 26/3/96)  
J L Olsen (resigned 1/6/95)  
R L Paniguan  
Sir Thomas Pilkington Bt.  
J V Ropner  
The Rt. Hon. the Viscount  
Runciman of Doxford, CBE  
C G N Ryder, OBE (resigned 24/10/95)  
S P Sherrard  
J B Sherwood  
D L Smith  
Dr H Sohmen, OBE  
N D Squire  
The Rt. Hon. the Lord Sterling  
of Plaistow, CBE  
Sir Adrian Swire  
E H Vestey (resigned 26/3/96)  
P T Ward (appointed 24/10/95)  
J Watson  
Sir Richard Baker Wilbraham Bt.



## THE CHAMBER OF SHIPPING LIMITED

### REPORT OF THE COUNCIL (Continued)

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#### AUDITORS

The auditors, Messrs. Morison Stoneham, have indicated their willingness to continue in office and a resolution for their reappointment will be submitted at the Annual General Meeting.



A R C B Cooke  
P D Skinner

) Members of  
) the Council

16 September 1996

#### STATEMENT OF DIRECTORS' RESPONSIBILITIES

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Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the company and of the excess or deficit of income over expenditure of the company for that period. In preparing those accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**THE CHAMBER OF SHIPPING LIMITED**  
**REPORT OF THE AUDITORS TO THE MEMBERS OF**  
**THE CHAMBER OF SHIPPING LIMITED**

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We have audited the accounts on pages 4 to 14 which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on page 7.

Respective Responsibilities of Directors and Auditors

As described on page 2 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

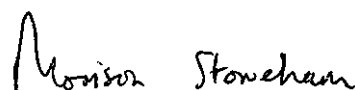
Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 March 1996 and of its deficit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



805 Salisbury House  
31 Finsbury Circus  
London  
EC2M 5SQ

Morison Stoneham  
Registered Auditor &  
Chartered Accountants

17 September 1996

# THE CHAMBER OF SHIPPING LIMITED

## INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 1996

	Note	1996 £	1995 £
INCOME		2,248,823	2,314,480
Administration expenses	2	(3,309,164)	(3,113,767)
		<u>(1,060,341)</u>	<u>(799,287)</u>
Other operating income:			
Rents receivable		159,207	116,511
Income from investments	3	533,868	376,654
Dividends receivable from subsidiary undertakings		-	1,283
		<u></u>	<u></u>
DEFICIT BEFORE TAXATION		(367,266)	(304,839)
TAXATION	4	<u>1,651</u>	<u>87,002</u>
DEFICIT AFTER TAXATION		(365,615)	(217,837)
Transfer from Revaluation Reserve	13	15,187	15,188
SURPLUS BROUGHT FORWARD		<u>382,557</u>	<u>585,206</u>
SURPLUS CARRIED FORWARD		<u>£32,129</u>	<u>£382,557</u>

### OTHER PRIMARY STATEMENTS

#### Statement of Total Recognised Gains and Losses

There are no recognised gains and losses other than the income and expenditure account for the year.

#### Note of Historical Cost Surpluses and Deficits

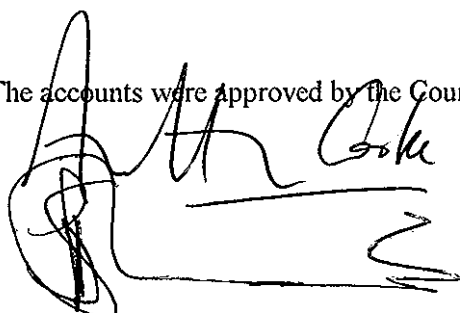
	1996 £	1995 £
REPORTED DEFICIT BEFORE TAXATION	(367,266)	(304,839)
Difference between a historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued asset	15,187	15,188
	<u>£(352,079)</u>	<u>£(289,651)</u>

# THE CHAMBER OF SHIPPING LIMITED

## BALANCE SHEET AT 31 MARCH 1996

	Note	1996 £	1995 £
<b>FIXED ASSETS:</b>			
Tangible assets	5	731,018	799,438
Investments	6	10,989,123	3,039,586
		<u>11,720,141</u>	<u>3,839,024</u>
<b>CURRENT ASSETS:</b>			
Loan, falling due after more than one year		-	35,964
Debtors	7	794,674	682,932
Short term deposits		534,388	8,063,650
Cash at bank and in hand		74,572	284,952
		<u>1,403,634</u>	<u>9,067,498</u>
<b>CREDITORS</b>			
<b>AMOUNTS FALLING DUE WITHIN ONE YEAR:</b>			
Creditors	8	(806,326)	(360,235)
Amount owed to parent company		(854,319)	(715,959)
Amount owed to subsidiary undertakings		(154,858)	(156,441)
		<u>(1,815,503)</u>	<u>(1,232,635)</u>
<b>NET CURRENT ASSETS</b>		<u>(411,869)</u>	<u>7,834,863</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>11,308,272</u>	<u>11,673,887</u>
<b>CREDITORS</b>			
<b>AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR:</b>			
Amount owed to parent company	9	(10,150,000)	(10,150,000)
Amount owed to subsidiary companies	9	(950,000)	(950,000)
		<u>208,272</u>	<u>573,887</u>
<b>TOTAL ASSETS LESS TOTAL LIABILITIES</b>		<u>208,272</u>	<u>573,887</u>
<b>PROVISION FOR LIABILITIES &amp; CHARGES</b>			
Deferred Taxation	10	(57,000)	(57,000)
		<u>£ 151,272</u>	<u>£ 516,887</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	11	20,100	20,100
Capital reserve		3,966	3,966
Revaluation reserve	13	95,077	110,264
Accumulated surplus		32,129	382,557
		<u>£ 151,272</u>	<u>£ 516,887</u>

The accounts were approved by the Council on 16 September 1996.



A R C B Cooke  
P D Skinner

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Members of  
the Board

# THE CHAMBER OF SHIPPING LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 1996

	Notes	1996		1995	
		£	£	£	£
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	14		(157,678)		(334,626)
RETURN ON INVESTMENT AND SERVICING OF FINANCE					
Interest received		455,585		367,720	
Dividends received		-		1,283	
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE			455,585		369,003
TAXATION - Corporation Tax/(Paid)/Recovered			(19,643)		(110,758)
INVESTING ACTIVITIES					
Payments to acquire tangible fixed assets		(18,379)		(709,603)	
Purchase of shares in subsidiary undertaking		-		(310)	
Payments to purchase investments		(7,999,527)		(350,000)	
NET CASH (OUTFLOW)/INFLOW FROM INVESTING ACTIVITIES			(8,017,906)		(1,059,913)
NET CASH OUTFLOW BEFORE FINANCING					(1,136,294)
FINANCING					
Loan from Parent Company		-		8,000,000	
NET CASH INFLOW FROM FINANCING			-		8,000,000
INCREASE IN CASH AND CASH EQUIVALENTS	15		(7,739,642)		6,863,706

# THE CHAMBER OF SHIPPING LIMITED

## NOTES TO THE ACCOUNTS

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### 1. ACCOUNTING POLICIES

The accounts have been prepared under the historical cost convention as modified by the revaluation of certain assets, and in accordance with applicable accounting standards.

Income comprises invoiced members subscriptions and charges for services supplied.

Investment income is accounted for on a received basis.

Tangible fixed assets are depreciated as follows:

Fixtures and Fitting Out                      over 12 years

Furniture and Equipment                      over 10 years

Computer and Electrical Equipment      over 3 or 5 years

Antiques and works of art are not depreciated as the residual value is considered by the directors to exceed cost or revalued amounts.

The company operates a contributory pension plan covering all employees. The investments comprising the funds of the plan are administered by trustees and are independent of the company's assets. Further details are set out in Note 17.

The rentals on operating leases due in each accounting period are charged to Income and Expenditure in the year in which they are incurred.

Investments held as fixed assets are stated in the balance sheet on the basis of cost adjusted so as to amortise to redemption value over the period to maturity. If sold before maturity the difference between the proceeds and the amortised value is taken to the profit and loss account in the year of realisation.

### 2. ADMINISTRATIVE EXPENSES

	1996	1995
	£	£
These include:		
Depreciation	86,799	79,317
Auditors' fees	17,000	17,000
Operating lease charges:		
Land	175,000	184,260
Others	64,979	73,011

No member of the Council has any entitlement to any fee or salary from the company.

# THE CHAMBER OF SHIPPING LIMITED

## NOTES TO THE ACCOUNTS (Continued)

### 2. ADMINISTRATIVE EXPENSES (continued)

The average number of employees during the year was 54 (1995 - 55) and the employee costs were:

	1996 £	1995 £
Salaries	1,259,598	1,221,925
Social Security costs	106,529	103,526
Pension contributions (see note below)	103,699	112,907
	<u>£1,469,826</u>	<u>£1,438,358</u>

The pension contributions are shown after adding £8,000 (1995 - £7,000) in respect of the amortisation of the pension fund surplus in accordance with the Statement of Standard Accounting Practice number 24 (see Note 17).

### 3. INCOME FROM INVESTMENTS

	1996 £	1995 £
Dividends and Interest Received	605,910	414,291
Realised (Loss) on Disposal	(68,106)	(26,385)
Amortisation of premium on redeemable securities	(3,936)	(11,252)
	<u>£533,868</u>	<u>£376,654</u>

### 4. TAXATION CREDIT/(CHARGE)

	1996 £	1995 £
Corporation tax recoverable (1995 - 33%)	-	67,713
Transfer (from)/to deferred tax (Note 10)	-	(18,373)
Adjustment to previous period	23,740	37,663
Tax credits on dividends received	(22,089)	-
	<u>£1,651</u>	<u>£87,003</u>



# THE CHAMBER OF SHIPPING LIMITED

## NOTES TO THE ACCOUNTS (Continued)

### 5. TANGIBLE FIXED ASSETS

	OFFICE FITTINGS	OFFICE EQUIPMENT	TOTAL
<u>COST OR VALUATION</u>			
At 1 April 1995	674,771	262,344	937,115
Additions	1,568	16,811	18,379
	<u>676,339</u>	<u>279,155</u>	<u>£955,494</u>
At 31 March 1996			
<u>DEPRECIATION</u>			
At 1 April 1995	42,173	95,504	137,677
Charge for the year	56,344	30,455	86,799
	<u>98,517</u>	<u>125,959</u>	<u>£224,476</u>
At 31 March 1996			
<u>NET BOOK VALUES</u>			
At 1 April 1995	632,598	166,840	£799,438
	<u>577,822</u>	<u>153,196</u>	<u>£731,018</u>
At 31 March 1996			

Office equipment included furniture and equipment which was replaced from the proceeds of an insurance claim in 1993 and the cost of £151,878 is reflected in the revaluation reserve (see note 13).

### 6. INVESTMENTS

	1996 £	1995 £
Cost:		
At 1 April 1995	3,039,586	2,748,964
Additions	8,042,287	350,310
Reductions (Equalisation Payments)	(20,708)	-
Realised losses	(68,106)	(48,436)
Amortisation of premium on redeemable securities	(3,936)	(11,252)
	<u>£10,989,123</u>	<u>£3,039,586</u>
At 31 March 1996		

Investments include money awaiting deposit of £77,398 (1995 £42,944) with the investment managers. The disposal proceeds of £1,365,272 (original cost £1,433,378) have been re-invested.

# THE CHAMBER OF SHIPPING LIMITED

## NOTES TO THE ACCOUNTS (Continued)

### 6. INVESTMENTS (continued)

	1996 £	1995 £
Investments comprise:		
Investments in subsidiary undertaking:		
100 Ordinary Shares in the British Shipping Federation Limited	100	100
229,210 Preference Shares in the British Shipping Federation Limited	2,292	2,292
10 Ordinary Shares in GCBS Contributory Pension Fund Trustees Limited	10	10
Marketable Investments:		
Unquoted Investments	403	403
Quoted Investments	10,919,650	3,036,781
	<u>£10,989,123</u>	<u>£3,039,586</u>

For the year ended 31 March 1996 the Company is entitled to the exemption conferred by Section 248 of the Companies Act 1985 from the requirement to prepare group accounts.

The subsidiary undertakings are all wholly owned and are incorporated in the United Kingdom. The aggregate capital and reserves of the British Shipping Federation Limited at 31 March 1996 amounted to £1,674,870 and the retained profit was £nil.

The value of the unquoted investments at 31 March 1996 is estimated to be £500 (1995 - £500). The market value of quoted investments at 31 March 1996 was £11,455,045 (1995 - £2,784,516).

### 7. DEBTORS

	1996 £	1995 £
These comprise:		
Trade debtors	108,273	130,701
Other debtors	195,011	129,106
Prepayments and accrued income	277,813	308,842
Corporation Tax recoverable	213,577	114,283
	<u>£794,674</u>	<u>£682,932</u>

# THE CHAMBER OF SHIPPING LIMITED

## NOTES TO THE ACCOUNTS (Continued)

### 8. CREDITORS

	1996 £	1995 £
These comprise:		
Trade creditors	32,822	173,099
Other creditors	661,601	53,079
Payroll tax and social security	44,729	40,182
Accruals	67,174	93,875
	<u>£ 806,326</u>	<u>£ 360,235</u>

### 9. CREDITORS, AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Amounts owed to the parent and to the subsidiary are interest free and have no fixed term of repayment other than requirement to receive 12 months notice.

### 10. DEFERRED TAXATION

Provision is made for deferred taxation only in so far as an asset or liability is likely to crystallise in the foreseeable future. The amount provided at 25% is made up as follows:

	1996 £	1995 £
Accelerated capital allowances	5,168	5,168
Short term timing differences	51,832	51,832
	<u>£57,000</u>	<u>£57,000</u>

### 11. SHARE CAPITAL

The capital of the company comprises:

	Authorised £	Issued and credited as fully paid £
Ordinary Shares of £1 each	100	100
7.5% Non-cumulative Preference Shares of £1 each	99,900	20,000
	<u>£100,000</u>	<u>£20,100</u>

The ultimate holding company is the Chamber of Shipping of the United Kingdom, which is a company incorporated by Royal Charter in the United Kingdom.

# THE CHAMBER OF SHIPPING LIMITED

## NOTES TO THE ACCOUNTS (Continued)

### 12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	1996 £	1995 £
Reported (deficit)/surplus for year	(398,949)	(217,837)
Other recognised gains and losses related to year	-	-
Net (reduction)/addition to shareholders funds	(398,949)	(217,837)
Opening shareholders funds	516,887	734,724
<b>CLOSING SHAREHOLDERS' FUNDS</b>	<b>£ 117,938</b>	<b>£ 516,887</b>

### 13. REVALUATION RESERVE

	1996 £	1995 £
At 1 April 1995	110,264	125,452
Less Released to Retained Profits: in respect of depreciation	(15,187)	(15,188)
<b>At 31 March 1996</b>	<b>£95,077</b>	<b>£110,264</b>

The revaluation reserve is in respect of the revaluation of furniture and equipment.

### 14. NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	1996 £	1995 £
Operating Loss	(1,060,340)	(799,287)
Rents Receivable	159,207	116,510
Depreciation	86,799	79,317
Investment Management Charges		22,051
Decrease (increase) in debtors	95,840	(974)
(Decrease) increase in creditors	560,816	247,757
	<b>£ (157,678)</b>	<b>£ (334,626)</b>

# THE CHAMBER OF SHIPPING LIMITED

## NOTES TO THE ACCOUNTS (Continued)

### 15. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

	1996 £	1995 £
At 1 April 1994	8,348,602	1,484,896
Net cash inflow/outflow	(7,739,642)	6,863,706
At 31 March 1995	<u>£ 608,960</u>	<u>£ 8,348,602</u>

### ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET

	1996 £	1995 £	Change £
Short term deposits	534,388	8,063,650	(7,529,262)
Cash at bank and in hand	<u>74,572</u>	<u>284,952</u>	<u>(210,380)</u>
	<u>£ 608,960</u>	<u>£ 8,348,602</u>	<u>£ (7,739,642)</u>

### 16. COMMITMENTS UNDER OPERATING LEASES

At 31 March 1996 the company has annual commitments under non-cancellable operating leases.

	1996 £	1995 £
Other - within 1 year	2,463	19,528
- more than 1 year and less than 5 years	<u>205,027</u>	<u>207,674</u>
	<u>£207,490</u>	<u>£227,202</u>

### 17. PENSION SCHEME

The Chamber operates a pension scheme providing benefits based on pensionable earnings at retirement or leaving. The scheme is funded with the assets being held by the Trustees separately from the assets of the employer. Contributions to the scheme are charged to the Income and Expenditure Account so as to spread the cost of the pension over employees' working lives.

## **THE CHAMBER OF SHIPPING LIMITED**

### **NOTES TO THE ACCOUNTS (Continued)**

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#### **17. PENSION SCHEME (continued)**

The contribution rate is determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 1 January 1993. The assumptions which have the most significant effect on the results of the valuation are the excess of the investment return over general salary increases of 1.5%, the excess of the investment return over equity dividend increases of 5.0% and the excess of the investment return over post-retirement pension increases of 5.5%.

At the valuation date the market value of the scheme's assets was £21.03 million and the actuarial value of assets exceeded the value placed on the accrued liabilities allowing for projected salaries by £500,000, this represented a cover for accrued benefits of 105%.

The pension cost for the year was £107,000 (1995 - £118,000). This included £29,000 (1995 - £1,000) in respect of the amortisation of the surplus which is being recognised over the expected average remaining services lives of members of the scheme (11 years).

A prepayment of £217,000 (1995 - £209,000) is included in debtors, this being the excess of the accumulated pension contributions paid over the pension charge shown in the accounts.

#### **18. CONTINGENT LIABILITIES**

There were no contingent liabilities for which provision had not been made in the accounts.